

CITY OF LINCOLN/LANCASTER COUNTY

CONTRACT AWARD NOTIFICATION
SPECIFICATION NO.03-068
ANNUAL REQUIREMENTS FOR
BILLING AND COLLECTION SERVICES
FOR MEDICAL TRANSPORTATION SERVICES

DATE: May 21, 2004

CONTRACT PERIOD: May 16, 2004 thru May 15, 2005

CONTRACTOR: AccuMed Billing, Inc.
a Michigan Corporation
P.O. Box 2122
Riverview, MI 48192

PURCHASING DIVISION
K-STREET COMPLEX
440 SOUTH 8TH STREET
LINCOLN, NEBRASKA 68508
(402) 441-7410

Company Representative: Michelle Leonard
Telephone No.: 734/479-6300
FAX No.: 734/479-6319
E-Mail Address:

THE CITY/COUNTY'S SPECIFICATIONS AND THE CONTRACTOR'S ACCEPTED PROPOSAL AND PRICING SCHEDULES, NOW ON FILE IN THE OFFICE OF THE CITY CLERK AND/OR THE COUNTY CLERK, ARE ADOPTED BY REFERENCE AND ARE AS FULLY A PART OF THIS CONTRACT FOR THE ABOVE-NAMED COMMODITY AS IF REPEATED VERBATIM HEREIN.

AS SET FORTH IN BILLING SERVICE AGREEMENT SIGNED MAY 21, 2004

NO ACTION NEED BE TAKEN BY THE CONTRACTOR AT THIS TIME. ORDERS FOR MATERIAL WILL BE MADE AS NEEDED BY THE VARIOUS CITY/COUNTY DEPARTMENTS.

DEPARTMENTS REQUIRING CATALOGS AND/OR PRICING SCHEDULES SHALL NOTIFY THE CONTRACTOR DIRECTLY.

E.O. #70265
Dated: 5/21/04

BILLING SERVICE AGREEMENT

AccuMed: AccuMed Billing, Inc.
a Michigan corporation
P.O. Box 2122
Riverview, MI 48192

Customer: City of Lincoln Nebraska
1801 Q Street
Lincoln, Nebraska 68508
Contact: Sherrie Meints
Phone: (402) 441-6686

Phone: (734) 479-6300
Facsimile: (734) 479-6319

Facsimile: (402) 441-3832
Effective Date: _____

THIS AGREEMENT is made by and between AccuMed and Customer.

THE TERMS AND CONDITIONS SET FORTH HEREINAFTER ARE A PART OF THIS AGREEMENT. THE CUSTOMER ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT UNDERSTANDS IT AND AGREES TO BE BOUND BY IT. CUSTOMER AGREES THAT THIS AGREEMENT SHALL NOT BE BINDING UNTIL ACCEPTED BY ACCUMED AT ITS OFFICE IN THE STATE OF MICHIGAN.

TERMS AND CONDITIONS

1. SERVICES.

A. AccuMed agrees to perform those activities, which are reasonably necessary to invoice on behalf of Customer the Emergency Medical Services, such services are more fully described in Exhibit 1 hereto ("EM Services") provided by Customer from the Effective Date to the date of the termination of this Agreement. AccuMed further agrees to comply with the provisions of the Collection Policy described in Exhibit 2 and the Refund Policy described in Exhibit 3. The parties agree that as of the execution of this Agreement, Exhibits 2 and 3 have not been drafted and that both parties agree to work toward creating a mutually acceptable Collection Policy and Refund Policy to be attached hereto within forty-five (45) days of the execution of this Agreement.

B. AccuMed shall process all invoices for services rendered by Customer within ten business days from the date AccuMed receives accurate and complete information, which will permit it to perform its services under this Agreement, including: fully completed incident reports which satisfy all signature requirements, including the then current Medicare signature and authorization requirements, demographic, procedure, charge, diagnosis and treatment related information, Advance Beneficiary Notice, Physician's Certification Statement, copy of the Advanced Life Support incident report when receiving intercept

services as well as such other information and documentation as AccuMed shall reasonably request (collectively the "Billing Information"). AccuMed shall promptly notify Customer if AccuMed fails to process such invoices within thirty (30) days of AccuMed's receipt of accurate and complete Billing Information.

C. AccuMed shall, if so requested by Customer, deposit all cash receipts into a lock box or bank account established and paid for by Customer and direct all other payments to such lock box or bank account. AccuMed shall have no right to negotiate checks payable to Customer. AccuMed shall instruct all prospective payers billed for Customer's EM Services to make all funds payable to Customer. AccuMed shall not accept payment in any form from any payer on behalf or as an agent for Customer nor shall AccuMed accept reassignment of any benefits payable to Customer.

D. AccuMed shall not use any letterhead, emblems or insignia related to Customer in any way or for any purpose not related to the performance of this Agreement. AccuMed acknowledges and understands that use of such letterhead and insignia in a manner contrary to Customer's approval may subject AccuMed to criminal charges under Section 9.40.040 of the Lincoln Municipal Code.

2. TERM. This Agreement will commence on the Effective Date and shall continue for a period of one (1) year, with option to renew for three (3) one (1) year renewal periods. It shall be conclusively presumed that both parties have exercised their option to renew this Agreement for the next year unless one, or both, party(ies) have delivered written notice to the other party not later than sixty (60) days prior to the end of the then current year that the option to renew for the next year will not be exercised.

3. CUSTOMER'S OBLIGATIONS AND AUTHORIZATION REQUIREMENTS.

A. Customer agrees that, during the term of this Agreement, it shall promptly submit to AccuMed for processing of all of its Billing Information for EM Services transports. The foregoing notwithstanding, AccuMed acknowledges that Customer makes no guarantee, promise or representation of any minimum number of run reports be delivered to AccuMed by Customer for processing pursuant to this Agreement.

B. Customer agrees to provide any and all information which AccuMed may, from time to time, request in order for it to perform its services hereunder, including, but not limited to, complete, accurate and prompt (i) Billing Information, including incident reports, which satisfy all signature requirements, including Medicare's then current signature and authorization requirements (ii) notification to AccuMed of names of each person or entity who has paid an invoice billed by AccuMed on the Customer's behalf and (iii) all supplemental forms/reports required for billing such as Advanced Beneficiary Notice, Physician's Certification Statement and a copy of the Advanced Life Support incident report when receiving intercept services

amounts that may be due under the provisions of Section 6 C. or 7 A., shall be reimbursed by the losing party for all costs and expenses, including actual attorney's fees, which the prevailing party reasonably incurs in such action. The parties further agree that in the event all or any portion of a Disputed Amount is determined to be owed to AccuMed that the foregoing interest rate shall be applicable to such amount from the date of the invoice until the amount is paid in full.

5. BUSINESS ASSOCIATE AGREEMENT.

A. AccuMed and Customer agree to comply with the privacy obligations applicable to them under the Health Insurance Portability and Accountability Act of 1996 and the regulations issued pursuant thereto, as amended ("HIPAA") to protect the privacy of Personal Health Care Information ("PHI") as delivered, collected, processed or obtained as a result of the performance of their respective responsibilities under this Agreement.

B. AccuMed and Customer agree that AccuMed may use and disclose PHI, including but not limited to manually, verbally and through electronic medium, which AccuMed obtains from or on behalf of Customer for the following purposes.

- (i) For the preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of services provided by Customer to its patients.
- (ii) Preparation of reminder notices and documents pertaining to collections of overdue accounts.
- (iii) Submission of supporting documentation to carriers, insurers and other payers to substantiate the health care services provided by Customer to its patients and to appeal denials of such payments.
- (iv) For the proper management and administration of AccuMed to permit AccuMed to carry out its legal responsibilities as a business associate.
- (v) For other uses or disclosures of PHI as are permitted by HIPAA provided AccuMed complies with the requirements of HIPAA.
- (vi) For such other uses or purposes as may be required by law.

C. In connection with its obligations to comply with HIPAA, AccuMed agrees that it will:

- (i) not use or further disclose PHI except as permitted under this Agreement or required by law;
- (ii) use appropriate safeguards to prevent use or disclosure of PHI except as permitted by this Agreement;
- (iii) to mitigate, to the extent practicable, any harmful effect that is known to AccuMed of a use or disclosure of PHI by AccuMed in violation of this Agreement;
- (iv) report to Customer any use or disclosure of PHI not provided for by this Agreement of which AccuMed has knowledge;
- (v) take appropriate action to assure that any agents or subcontractors to whom AccuMed provides PHI or who have access to PHI through AccuMed agree to the same restrictions and conditions that apply to AccuMed with respect to PHI;
- (vi) make PHI available to Customer or as directed by Customer to an individual who has a right of access under HIPAA within thirty (30) days of the request by Customer;
- (vii) incorporate any amendments to PHI when notified to do so by Customer;
- (viii) provide an accounting of the uses or disclosures of PHI made by AccuMed as required under HIPAA within sixty (60) days of the request for such accounting;
- (ix) make its internal practices, books and records relating to the use and disclosure of PHI available to Customer and/or the Secretary of the Department of Health and Human Services for compliance purposes;
- (x) at the termination of this Agreement, return or destroy all PHI created or received by AccuMed on behalf of Customer as Customer may at that time require and if return or destruction is infeasible, the protection of this Agreement will extend to such PHI so long as AccuMed maintains such information; and
- (xi) AccuMed agrees that it will not amend or correct a patient's PHI, with respect to health information, without the Customer's express written authorization. AccuMed agrees to promptly forward all written requests for amendment/correction of PHI made by a patient to the Customer. Upon oral request for an amendment/correction of PHI

made by a patient, AccuMed will refer such patient to the Customer. Customer agrees that it shall be solely responsible for responding to all such requests for amendment/correction of PHI made by a patient under HIPAA.

D. In connection with its obligations to comply with HIPAA, Customer agrees that:

- (i) Customer has the primary responsibility to retain all PHI that it has delivered to AccuMed and shall also be primarily responsible to respond and deliver such PHI to those entitled to it under the provisions of HIPAA;
- (ii) Customer will obtain any consent, authorization or permission that may be required by HIPAA, applicable state laws and/or regulations prior to furnishing AccuMed the PHI pertaining to an individual; and
- (iii) Customer will inform AccuMed of any PHI that is subject to any arrangements permitted or required of Customer under HIPAA that may materially impact in any manner the use and/or disclosure of PHI by AccuMed including, but not limited to, restrictions on the use and/or disclosure of PHI as provided for in HIPAA and the regulations issued pursuant thereto and/or agreed to by Customer.

E. Notwithstanding any other provisions of this Agreement, upon Customer's reasonable determination that AccuMed has violated any material term or provision of this Business Associate Agreement section pertaining to Customer's obligations under HIPAA or if AccuMed engages in conduct which would, if committed by Customer, result in a violation of HIPAA by Customer, Customer shall provide AccuMed written notice of that violation and sufficient detail to enable AccuMed to understand the specific nature of that violation and afford AccuMed a reasonable opportunity to cure the violation; provided, however, that if AccuMed fails to cure the violation within a reasonable time specified by Customer, Customer may terminate this Agreement.

F. Both parties agree as follows:

- (i) To negotiate and amend this Business Associate Agreement section, from time to time, as necessary to comply with any amendment to any provision of HIPAA or its implementing regulations including, but not limited to, any privacy regulation, which materially alters either parties or both parties obligations under this Business Associate Agreement section;

- (ii) The terms of this Business Associate Agreement section shall be construed in light of any applicable interpretation or guidance on HIPAA and/or its implementing regulations issued by the Department of Health and Human Services or the Office of Civil Rights, from time to time;
- (iii) Nothing contained in this Agreement, including this Business Associate Agreement section, shall confer upon any person or entity other than the parties hereto and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever; and

Any other provisions of this Agreement that is directly contradictory to one or more terms of this Business Associate Agreement section ("Contradictory Term") shall be superceded by the terms of this Business Associate Agreement section to the extent and only to the extent of the contradiction, only for the purpose of Customer's compliance with HIPAA or its implementing regulations and only to the extent that it is reasonably impossible to comply with both the Contradictory Term and the terms of this Agreement.

6. TERMINATION. Notwithstanding the provisions of Section 2:

A. Either party will have the right to terminate this Agreement on thirty (30) days' written notice of termination to the other, if (i) the other party defaults on any of its material obligations under this Agreement (excluding Customer's payment obligations) and such party has not begun to cure such default (which cure must be diligently pursued in a timely manner until completed) within fifteen (15) days after written notice of such default is delivered; (ii) a court having appropriate jurisdiction enters a decree or order for relief in respect of the other party in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or (iii) the other party commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; and

B. In the event Customer reasonably believes AccuMed's acts or omissions in the performance of its responsibilities under the terms of this Agreement materially violate applicable local, state or federal law relating to third-party billing or constitute fraud or a violation of other criminal laws, Customer shall provide AccuMed written notice of that violation and sufficient detail to enable AccuMed to understand the specific nature of that violation and AccuMed shall have thirty (30) days from its receipt of such notice to cure the violation. If AccuMed fails to cure such violation within said thirty (30) days or such additional time as may be needed provided AccuMed has commenced its cure within said thirty (30) days and diligently pursues it to completion, Customer may terminate this Agreement.

C. Customer, at its sole option, shall have the right to terminate this Agreement for any reason for the Customer's own convenience by giving sixty (60) days

prior written notice thereof to AccuMed ("Termination for Convenience"). In addition, Customer may terminate this Agreement in whole or in part when funding is not lawfully available for expenditure or when sources of funding are terminated, suspended, reduced, released, or otherwise not forthcoming through no fault of Customer. In the event of the unavailability of funds to pay any amounts due under this Agreement, the Customer shall immediately notify AccuMed and this Agreement shall terminate on the date specified by Customer ("Funding Termination"). The foregoing notwithstanding, in the event a Termination for Convenience by Customer or a Funding Termination by Customer occurs within one (1) year from the date AccuMed commences performing the EM Services, Customer agrees to pay to AccuMed the sum of Eighteen Thousand Five Hundred (\$18,500.00) Dollars within forty-five (45) days of the effective date of such termination in addition to all other amounts then due or which may become due under the terms of this Agreement. All amounts due under this Section 6 C. which Customer fails to pay within said forty-five (45) day period shall bear interest at the rate of one and one-half (1-1/2%) percent per month or the maximum monthly rate permitted by applicable law, whichever is less, from the effective date of such termination until said amount is paid in full.

D. AccuMed will have the right to terminate this Agreement immediately if Customer defaults on its payment obligations under Section 4, excluding only a Disputed Amount, and such payment default is not cured within ten (10) days from the date the payment was due.

E. AccuMed will also have the right to terminate this Agreement upon sixty (60) days prior written notice to Customer if (i) AccuMed determines that it is unable to obtain adequate and appropriate insurance coverage to protect it against losses that AccuMed may incur under the provisions of Section 13, or such insurance is canceled, materially modified or the insurance is not renewed by AccuMed, or at any time after obtaining such insurance coverage AccuMed determines that it is no longer comfortable with the protection afforded by such insurance coverage; or (ii) at any time after Customer requires AccuMed to meet its obligations under the provisions of Section 13.

7. TERMINATION PROCEDURES.

A. In the event of termination of this Agreement under the provisions of Sections 2 or 6, AccuMed shall, on the effective date of such termination as provided in each such Section and the subsections contained therein (the "Termination Date"), cease to accept new Billing Information from Customer for any transport that occurred on or after the Termination Date, but may, except in the case of a termination under Section 6 E., at AccuMed's sole discretion (i) continue to perform for a period ninety (90) days following the Termination Date (the "Wind Down Period") its services relating to Billing Information for transports that occurred prior to the Termination Date, in which case Customer shall be obligated to pay AccuMed the Percentage Fee on all amounts collected through the end of the Wind Down Period in accordance with the provisions of Section 4 hereof, or (ii) discontinue all services effective as of the Termination Date, in which case Customer shall be obligated to

pay the amounts earned by AccuMed through the Termination Date in accordance with the provisions of Section 4 hereof. The foregoing notwithstanding Customer shall have the right, by giving AccuMed written notice thereof prior to the Termination Date, to require AccuMed to discontinue all services effective as of the Termination Date (the "No Wind Down Election"). If Customer exercises this No Wind Down Election, Customer agrees to pay to AccuMed within forty-five (45) days of the Termination Date Twenty-Three and 50/100 (\$23.50) Dollars times the number of Unpaid Runs as of the Termination Date. The term "Unpaid Runs" shall mean those transports that occurred in the ninety (90) day period next preceding the Termination Date and that resulted in a transport for which AccuMed has submitted a claim to a party reasonably believed by AccuMed to be financially responsible for payment of such transport and for which there has been no payment prior to the Termination Date or, if partial payment has been received, there is Fifty (\$50.00) Dollars or more still owing on the bill as of the Termination Date. All amounts due under this Section 7 A. which Customer fails to pay within said forty-five (45) day period shall bear interest at the rate of one and one-half (1-1/2%) percent per month or the maximum monthly rate permitted by applicable law, whichever is less, from the Termination Date until said amount is paid in full. AccuMed agrees that in the event it terminates this Agreement under the provisions of Section 6 E, the provisions of this Section 7 A, other than the No Wind Down Election (excluding the payment for Unpaid Runs otherwise associated therewith), shall not be applicable; provided, however, whether or not Customer has exercised its No Wind Down Election, Customer shall be obligated to pay when due all amounts collected through the Termination Date on transports billed by AccuMed.

B. Provided Customer has made full payment of all amounts due and owing to AccuMed, excluding only the Disputed Amount, and AccuMed has reasonable grounds to believe that future amounts owed to it will be paid by Customer in a timely manner (together the "Transitional Pre-Conditions"), AccuMed agrees to provide to Customer reasonable assistance following the Termination Date to transition the services formerly provided by AccuMed back to Customer or to a third party selected by Customer. Customer agrees to promptly pay AccuMed's reasonable costs and expenses incurred in connection with said transitional services. AccuMed shall have no obligation to provide any transitional assistance to Customer until the Transitional Pre-Conditions shall, in AccuMed's sole discretion, have been met to its satisfaction; provided, however, AccuMed agrees that it will continue to be required to meet its obligations under Section 5 C. hereof.

8. CUSTOMER AUDITS. Customer will have the right under this Agreement to engage, at the sole expense of Customer, independent auditors (the "Auditors") (provided that such persons are not employed by or in any manner affiliated with any entity that performs services substantially similar to services provided by AccuMed) for the purpose of performing audits that may be considered necessary by Customer to determine the accuracy and correctness of the accounting and internal control performed and maintained by AccuMed (a "Financial Audit") or to determine whether AccuMed has complied with the laws applicable to the services rendered by AccuMed under this Agreement (the "Applicable Laws" and such audit is hereinafter referred to as a "Compliance Audit"). In the event

Customer exercises its right to an audit it shall notify AccuMed in writing whether it wishes to perform a Financial Audit or Compliance Audit. AccuMed will cooperate by furnishing such Auditors with any and all information that is consistent with the type of audit that Customer has requested and that is reasonably necessary to perform and complete the identified audit as reasonably determined to be necessary by the Auditors. Prior to performing such audits, Customer will cause the Auditors and Customer to execute an agreement to maintain the confidentiality, subject to the Applicable Laws, of any information they receive about AccuMed's computer programs and software it employs, inventions, processes, trade secrets, technical information, know-how, plans, specifications, identity of customers and identity of suppliers, financial plans, patient records, its business practices, including but not limited to those relating to, its accounts payable, accounts receivable and billing systems such agreement to be in the form and substance satisfactory to AccuMed. Customer agrees that any such audit will be conducted at such times and in such a manner so as to avoid undue disruption of AccuMed's operations. A Financial Audit shall not be performed more than once during any consecutive twelve (12) month period. A Compliance Audit may be performed at any time that Customer reasonably believes AccuMed has materially breached any of the Applicable Laws or any state or federal governmental authority having right to do so under the Applicable Laws requires that a Compliance Audit be performed. Customer agrees to promptly pay to AccuMed all out of the ordinary costs and expenses AccuMed incurs relating to the audit under the following conditions: (i) if a Financial Audit is performed and the results of the such audit is that the financial adjustment in favor of Customer as shown by the audit is three (3%) percent or less of the total amount billed by AccuMed on behalf of Customer during the period covered by the audit; or (ii) if a Compliance Audit is performed and the results of such audit do not conclusively prove that AccuMed materially and knowingly violated the Applicable Laws.

9. OPERATING DISCLAIMER. Customer acknowledges that AccuMed has incentive to perform its services hereunder in a timely and proficient manner but that the timing and amount of collections generated by its services are subject to numerous variables beyond the control of AccuMed. THEREFORE, ACCUMED DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO THE TIMING AND AMOUNT OF COLLECTIONS GENERATED BY ITS SERVICES. Notwithstanding the foregoing, AccuMed agrees to perform its services hereunder in accordance with industry standards and applicable laws, rules and regulations.

10. LIMITATION OF LIABILITY. AccuMed shall exercise commercially reasonable efforts to prevent the loss or destruction of Customer's records. In the event of error or omission in the performance of its services, AccuMed will re-perform the services at no additional cost to Customer. Customer acknowledges that Customer shall be responsible for the accuracy of the Codes, fees, Billing Information, and all other data provided to AccuMed for use in the provision of its services. For purposes of this Section 10 the term "Codes" does not include the ICD-9 and HCPC codes developed by AccuMed in the performance of its services under this Agreement. Notwithstanding the foregoing and except

as otherwise specifically provided in Section 13, which shall in no way be effected by this Section 10, it is expressly understood and agreed that AccuMed's sole obligation for any breach of this Agreement or failure to meet its obligations hereunder is limited to the obligation of AccuMed to return all monies paid it by Customer relating to the bill or bills in question. THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING MERCHANTABILITY AND FITNESS FOR PURPOSE. IN NO EVENT SHALL ACCUMED BE LIABLE FOR DIRECT, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, REPRESENTATION, WARRANTY OR TORT, ARISING OUT OF THIS AGREEMENT.

11. COMPLIANCE MONITORING. Each party hereto is responsible for monitoring and insuring its own compliance with all applicable state and federal laws and regulations pertaining to billing and reimbursement for its services, including the implementation of independent corporate compliance programs. In the event either party becomes aware of a violation of any such state or federal laws or regulations or of a questionable claim or claim practice, agrees to notify the other party, in writing, within thirty (30) days so that the other party may address that matter. Such reporting as this section may require is not intended to and does not supplant any other reporting requirements by either party as may be provided under this Agreement or by law.

12. INSURANCE.

A. AccuMed shall maintain during the term of this Agreement the applicable statutory workers' compensation insurance with an insurance company authorized to write such insurance in the State of Michigan, covering all of AccuMed's employees, and in the case of an assignment of this Agreement, AccuMed shall require the assignee to meet the requirements of this Section 12.A.

B. AccuMed shall maintain during the term of this Agreement general public liability insurance naming and protecting AccuMed and listing as an additional insured Customer, its officials, employees and volunteers, against claims for damages resulting from (i) bodily injury, including wrongful death, (ii) personal injury liability, and (iii) property damage which may arise from operations under this Agreement, whether such operations be committed by any assignee of AccuMed or anyone directly or indirectly employed by either of them. Such insurance shall be in the minimum amount of One Million (\$1,000,000.00) Dollars per occurrence and Two Million (\$2,000,000.00) Dollars in the aggregate.

13. INDEMNIFICATION.

A. To the fullest extent permitted by law, AccuMed shall indemnify and hold harmless Customer, its elected officials, officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of this Agreement, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness disease, death, or any

injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom that is directly attributable to the acts or omissions of AccuMed or anyone employed by AccuMed. This indemnification shall apply to the acts or omissions of AccuMed's suppliers or subcontractors only to the extent AccuMed is able to actually collect from such supplier or subcontractor for their acts or omissions. This section shall not require AccuMed to indemnify or hold harmless Customer for any losses, claims, damages, and expenses arising out of or resulting from the negligence or intentional misconduct of the Customer.

B. To the fullest extent permitted by law, the Customer shall indemnify and hold harmless AccuMed, its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of this Agreement, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom that is directly attributable to the acts or omissions of Customer or its elected officials, officers or employees. This indemnification shall apply to the acts or omissions of Customer's suppliers or subcontractors only to the extent Customer is able to actually collect from such supplier or subcontractor for their acts or omissions. This section shall not require the Customer to indemnify or hold harmless AccuMed for any losses, claims, damages, and expenses arising out of or resulting from the negligence or intentional misconduct of AccuMed.

14. FAIR EMPLOYMENT PRACTICES. AccuMed agrees that it will not discriminate against any employee (or applicant for employment) with respect to compensation, terms, advancement potential, conditions or privileges of employment, because of such person's race, color, religion, sex, disability, national origin, ancestry, age or marital status pursuant to the requirements of Lincoln Municipal Code Chapter 11.08 and Section 48.1122, Nebraska Reissue Revised Statutes of 1943.

15. NOTICES. Any notice required or permitted to be delivered hereunder shall be (i) delivered in person; (ii) sent by certified mail, return receipt requested, or by national overnight delivery service to the address set forth above; or (iii) by facsimile transmission to the facsimile phone number set forth above, until written notice of change of address or facsimile number has been delivered in the manner set forth herein. Such notice shall be deemed to have been received on the day it was personally delivered or sent by facsimile transmission or the date it was received in the case of mailing or overnight delivery.

16. FORCE MAJEURE. Neither party shall be liable for any failure or delay in performing its obligations under this Agreement due to any cause beyond its reasonable control, including but not limited to fire, accident, labor dispute or unrest, flood, riot, war, rebellion, insurrection, sabotage, transportation delays, shortage of raw materials, energy or machinery, acts of God or of the civil or military authorities of a state or nation, or the inability, due to the aforementioned causes, to obtain necessary labor or facilities.

17. WAIVER. The failure of either party to enforce any term or condition of this Agreement shall not be construed as a waiver by such party of such term or condition, nor shall a waiver of any breach of a term or condition of this Agreement on any one occasion constitute a waiver of any subsequent breach of the same or similar term or condition.

18. ENTIRE AGREEMENT/MODIFICATION. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived or discharged orally, but only by an instrument duly signed by the party against which enforcement of the changes, waiver of discharge is sought.

19. BINDING EFFECT/ASSIGNMENT. Except in the case of the merger or consolidation of AccuMed or the sale of all or substantially all of its stock or assets in which case Customer's consent shall not be required, AccuMed shall not assign its rights or subcontract or otherwise delegate its primary billing functions (including coding and determining medical necessity) hereunder without the Customer's prior written consent. In no event shall a sale, merger, or consolidation be effective without the transferee assuming, in writing, all rights and obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the permitted successors and assignees of the parties hereto.

20. INDEPENDENT CONTRACTOR. The parties agree that Customer shall exercise no control over the activities or operations of AccuMed, other than to enforce the specific obligations of AccuMed under this Agreement, and further agrees that their relationship is as independent contractors. Customer is interested only in the results produced by this Agreement. AccuMed has sole and exclusive charge and control of the manner and means of performance. It is expressly agreed that AccuMed is not an employee of Customer and is not entitled to any benefits of Customer including, but not limited to, overtime, retirement benefits, worker's compensation, sick leave or injury leave.

21. SEVERABILITY. If any term or provision contained in this Agreement shall be found to be invalid, illegal or unenforceable by a court of competent jurisdiction, such term or provision shall be considered independent and severable from this Agreement and the remaining provisions of this Agreement shall remain in full force and effect. The parties agree that, to the extent allowed by law, any such term or provision found to be invalid, illegal or unenforceable shall be reinterpreted or adapted by the parties in such a way that the intended business purpose of such term or provision is achieved to the maximum extent possible.

22. GOVERNING LAW. As to all matters, including, validity, construction and effect, this Agreement shall be governed by, and construed in accordance with the laws of the State of Nebraska without regard to its principles of conflicts of laws.

23. MEDIATION. If a dispute, controversy or claim concerning this Agreement cannot be satisfactorily resolved by the parties, such dispute shall be settled by mediation to be conducted within the counties of Wayne, Oakland or Macomb in the State of Michigan, if requested by either party. If the parties cannot agree upon the mediator, one will be selected by the President of the Oakland County Bar Association in the State of Michigan. The mediator shall have the right, but not the obligation, to award Customer or AccuMed the sum of Five Hundred (\$500.00) Dollars for each day, or part thereof, of mediation and, if the mediator so chooses, to require that party to pay all of the cost of any mediation expense. In absence of such a decision by the mediator, the parties will each pay all of their own costs and one-half (1/2) of the cost of any mediation expense.

24. JURISDICTION. Customer consents and agrees that the following courts shall have personal jurisdiction over Customer and all lawsuits relating or arising out of this Agreement: (a) all courts included within the state court system of the State of Nebraska; and (b) all courts of the United States of America sitting in Lancaster County, State of Nebraska including, but not limited to, all of the United States District Courts sitting within the State of Nebraska.

25. The undersigned individuals representing AccuMed and the Customer do hereby agree and represent that he or she is legally capable to sign this Agreement and to lawfully bind AccuMed or the Customer, as the case may be, to this Agreement.

ACCEPTANCE

ACCEPTANCE:

ACCUMED BILLING, INC.

(CUSTOMER NAME)

BY: Michelle Leonard
(AUTHORIZED SIGNATURE)

BY: Don Weely
(AUTHORIZED SIGNATURE)

NAME: Michelle Leonard
(PRINT OF TYPE)

NAME: DON WEELY
(PRINT OR TYPE)

DATE 5/14/03

DATE: 5-16-03